



United States
General Accounting Office
Washington, D.C. 20548

Health, Education and Human Services Division

B-270743

July 15, 1996

The Honorable Jim Bunning
Chairman, Subcommittee on Social Security
Committee on Ways and Means
House of Representatives

Dear Mr. Chairman:

Between 1985 and 1995, the size of the Disability Insurance (DI) and Supplemental Security Income (SSI) caseloads grew from 4.2 million to over 7 million, and correspondingly, cash benefits escalated from about \$23 billion to more than \$57 billion. Your March 4, 1996, letter noted the importance of doing research that would shed light on the reasons for, and ways to address the growth in, disability programs. You also expressed concern about efforts and expenditures under SSA's disability research agenda.

SSA is responsible for administering DI and SSI, the two major public programs for people with disabilities. DI was established under title II of the Social Security Act to insure covered workers against loss of income due to a disabling condition. DI is funded through Federal Insurance Contributions Act taxes paid into a trust fund by employers and workers. In contrast, SSI, which is authorized under title XVI of the Social Security Act, is funded through general revenues. It provides income support for low-income aged, blind, and disabled persons who have little or no work experience in employment covered by title II.

Because of your concerns about SSA's disability research agenda, you asked us to review an SSA staff assignment to the National Academy of Social Insurance (NASI) disability project and the status of two research initiatives: (1) a Lewin-VHI, Inc., study on factors associated with growth in the disability rolls; and (2) an interagency agreement on return-to-work research between SSA and the Department of Education's National Institute on Disability and Rehabilitation Research (NIDRR).

To address your concerns, we interviewed SSA officials and others involved in the subject research efforts and reviewed relevant interagency agreements, contracts, and

GAO/HEHS-96-171R SSA Funds for Policy Research

supporting documents. We did our review between March and May 1996 in accordance with generally accepted government auditing standards.

STAFFING OF NASI'S DISABILITY POLICY PROJECT

The House Ways and Means Committee and its Subcommittee on Social Security asked NASI in 1991 to conduct a comprehensive review of the Social Security disability program. NASI sought to obtain one of its members from SSA to serve as full-time project director. SSA in 1992 assigned a senior policy research expert from the office of SSA's Deputy Commissioner for Policy and External Affairs to work on NASI's disability policy project from 1992 to 1994 and, in 1994, to serve as the project's director from 1994 to 1996.¹ SSA paid 100 percent of the employee's salary and benefits for work at NASI between January 1992 and April 1996. We estimated these costs to be about \$426,000. We also found that, in assigning this staff member, SSA violated both the Intergovernmental Personnel Act of 1970 (IPA) and the Office of Personnel Management's (OPM) implementing regulations.²

The statute authorizes the temporary assignment of federal employees to certain other organizations as well as the temporary assignment of nonfederal employees to federal agencies. An IPA agreement allows a federal agency to temporarily assign a federal employee to an organization certified by OPM to participate in the IPA program. The assignment must, however, have a direct programmatic relationship to the federal agency's mission and must be

¹The NASI Disability Policy Panel was established pursuant to a June 12, 1991, letter request from the Chairman, House Committee on Ways and Means, and the Chairman, Subcommittee on Social Security. That letter asked for NASI assistance in conducting a comprehensive review of the social security disability program.

²The Intergovernmental Personnel Act of 1970, 5 U.S.C. 3371-3376, governs employee assignments to nonprofit organizations. To be eligible, a nonprofit organization must have "as one of its principal functions the offering of professional advisory, research, educational, or developmental services, or related services, to governments or universities concerned with public management." In a February 14, 1992, letter, OPM notified NASI that it met IPA eligibility requirements and was eligible to participate in the IPA assignment program.

mutually beneficial to both organizations. OPM regulations require that, before an assignment is made, the federal agency and the eligible organization must enter into a written agreement that records the obligations and responsibilities of the parties.

We found that SSA violated OPM regulations when it allowed its staff member to work at NASI from January 1992 through April 1994 without a written agreement between SSA and NASI. According to our interpretation of the law and the circumstances surrounding this assignment, the employee's continuous service at NASI constituted, in effect, an IPA assignment, even though SSA and NASI did not have a written agreement.

SSA also violated the IPA assignment time limit with this particular assignment. The statute provides that a federal agency may not send an employee on an IPA assignment for more than 4 continuous years. SSA signed an IPA assignment agreement to assign the SSA employee to NASI from April 3, 1994, through April 2, 1996. The employee's January 1992 through April 1994 service without a written agreement, coupled with April 1994 through April 1996 service under the written agreement, resulted in approximately 52 consecutive months of service, exceeding by about 4 months the limit established by law.³

The employee assigned to NASI retired from the federal government in June 1996.

In commenting on a draft of this letter, SSA's Deputy Commissioner for Human Resources stated that SSA was taking steps to ensure that future IPA assignments fully comply with the requirements of the law.

STATUS OF LEWIN-VHI, INC., ANALYSIS OF PROGRAM GROWTH

In 1993, SSA, along with the Department of Health and Human Services' Assistant Secretary for Planning and Evaluation (HHS/ASPE), began short- and long-term research to examine

³SSA made 11 IPA assignments between July 1990 and April 1996, which averaged 24 months in duration. We only reviewed the IPA with NASI. SSA's Office of Inspector General is currently reviewing the use of transfers and temporary assignments, including IPA assignments.

the causes of adult disability caseload growth.⁴ SSA signed two interagency agreements with HHS/ASPE. These agreements resulted in five contracts between HHS/ASPE and the contractor, Lewin-VHI, Inc., to study reasons for growth in the disability rolls and the policy implications of such growth. The contracts called for (1) an analysis of labor market and other factors affecting trends in applications for disability and SSA awards of disability status; (2) an assessment of health status trends among the disabled; (3) case studies of growth in applications and awards for disability insurance and benefits in selected states, and a national public use data file for disability research with information at the state level on applicants, awards, and determinants of caseload growth for disability research; (4) an analysis of long-term factors affecting the disabled; and (5) a national conference on the implications of recent growth for disability policy.

All contracts were completed between August 1994 and September 1995. HHS/ASPE received all the deliverables called for under the contracts. Extensions in completion dates, at no additional cost to the government, occurred under all five contracts because the contractor needed additional data from SSA to complete its analyses. Of the total cost of \$794,000 for all five contracts, SSA contributed \$415,000, or 52 percent, and HHS/ASPE paid approximately \$379,000, or 48 percent.

STATUS OF NIDRR RESEARCH ON RETURN TO WORK

SSA signed an interagency agreement with the Department of Education on August 24, 1995, to transfer \$400,000 to NIDRR to perform research and special studies and disseminate information about returning people with disabilities to work. SSA officials told us that this transfer enabled them to avoid administrative and project start-up costs by providing supplemental funding to NIDRR's ongoing research on ways to improve the return to work for people with disabilities.⁵ SSA funding enabled NIDRR to expand its

⁴This research was discussed in SSA's Report to Congress on Rising Cost of Social Security Disability Insurance Benefits (Washington, D.C.: SSA, Feb. 14, 1996), which was issued in response to a mandate in Public Law 103-387, the Social Security Domestic Employment Reform Act of 1994.

⁵The Economy Act, 31 U.S.C. 1535-36, allows federal agencies to pay other agencies for services when it would be in the best interest of the government.

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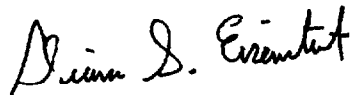
work to specifically include SSA program beneficiaries. In particular, the agreement called for research on barriers to employment and strategies used to overcome barriers, as well as conferences for the exchange of findings on these topics. The last deliverable specified in the contract is expected by the end of September 1996.

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As arranged with your office, we are sending copies of this letter to the Commissioner of SSA, the Director of OPM, the Secretaries of Education and Health and Human Services, and the Chairman of the Board of Directors of the National Academy of Social Insurance.

If you have any questions on the information we obtained during our review, please call me at (202) 512-5562. Major contributors to this review were Cynthia Bascetta, Assistant Director; Dennis Gehley, Senior Evaluator; and Jonathan Barker, Senior Attorney.

Sincerely yours,



Diana S. Eisenstat
Associate Director,
Income Security Issues

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